

Message Text

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AMCONSUL OPORTO

AMEMBASSY PARIS

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C O N F I D E N T I A L SECTION 1 OF 2 LISBON 2650

E.O. 11652: GDS

TAGS: PINT,PO

SUBJECT: ELECTIONS: POST-ELECTION PROBLEMS

REF: (A) LISBON 2448 (DTG 141732Z APR 76), (B) LISBON 2590

(DTG 221337Z APR 76), (C) LISBON 2547 (DTG 201719Z APR 76)

SUMMARY: THE INTERIM PERIOD BETWEEN THE APRIL 25 ASSEMBLY ELECTIONS AND THE FORMATION OF A NEW GOVERNMENT SOMETIME IN JULY WILL BE REplete WITH PROBLEMS ANY ONE OF WHICH COULD PRODUCE A POST-ELECTION CRISIS. PROBLEMS INCLUDE TENSIONS WITHIN THE ARMY AS IT SEEKS TO REDEFINE ITS ROLE; THE FUTURE OF THE REVOLUTIONARY COUNCIL; THE PRESIDENTIAL SELECTION PROCESS; STRAINS WITHIN THE MAJOR PARTIES; DIFFICULTY IN FORMING THE NEW
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GOVERNMENT AND THE LINGERING POSSIBILITY OF COUP ATTEMPTS BY

THOSE DISAPPOINTED WITH THE ELECTION RESULTS. EVENTS WILL BE
CONDITIONED BY THE APRIL 25 ELECTION RESULTS. PORTUGAL'S
NASCENT, AND STILL FRAGILE, DEMOCRATIC INSTITUTIONS
WILL BE PUT TO A SEVERE TEST. END SUMMARY.

1. THE POSSIBILITY OF A POST-ELECTION CRISIS, DESCRIBED
IN THE EMBASSY'S ANNUAL ASSESSMENT, WILL BE AGGRAVATED BY
THE AWKWARD PERIOD BETWEEN THE APRIL 25 ASSEMBLY OF THE
REPUBLIC ELECTIONS AND THE FORMATION OF A NEW GOVERNMENT,
WHICH MAY NOT TAKE PLACE UNTIL THE END OF JULY. THE
FOLLOWING ARE LIKELY PROBLEM AREAS:

2. THE MILITARY:

(A) THE ARMY: THE ARMY REMAINS THE ULTIMATE POLITICAL
ARBITER IN PORTUGAL TODAY. YET THE MILITARY AS AN INSTITU-
TION FACES SERIOUS PROBLEMS, ONLY PARTIALLY DISGUISED BY
THE RELATIVE CALM THAT HAS PREVAILED SINCE THE DEFEAT OF
THE NOV 1975 LEFTIST COUP ATTEMPT. THE RECENT BEJA INCIDENT
WHERE SOME SOLDIERS JOINED THE RIOTERS (REF A) WAS AN EXAMPLE
OF HOW BAD SOME UNITS STILL ARE. THERE ARE FEW WELL DISCIPLINED
AND EFFECTIVE UNITS IN THE ARMY; WORRISOME NUMBERS OF JUNIOR
OFFICERS RETAIN THEIR LEFTIST SYMPATHIES; AND THE NCO
CORPS HAS BEEN ACTIVELY TARGETED BY THE COMMUNISTS SINCE BEFORE
THE APRIL 1974 COUP. THE ARMY HIGH COMMAND, UNDER THE CAPABLE
LEADERSHIP OF GEN EANES, HAS BEEN MAKING STEADY BUT SLOW PROGRESS
IN DEALING WITH THESE PROBLEMS. THE LARGER TASK REMAINS THAT OF
CONVERTING THE ARMY FROM A CUMBERSOME, COUNTER-INSURGENCY
ORGANIZATION STAFFED BY CONSCRIPTS TO A TRIM, MODERN NATO-
COMMITTED FORCE WITH AN EMPHASIS ON PROFESSIONALIZATION.
PORTUGAL CANNOT MAKE THIS CHANGE
WITHOUT HELP FROM ITS ALLIES AND THAT HELP HAS BEEN
DANGEROUSLY SLOW IN ARRIVING.

(B) RESTRUCTURING THE REVOLUTIONARY COUNCIL: THE REVOLUTIONARY
COUNCIL (RC) HAS ALREADY STARTED TO CONSIDER THE
PROBLEM OF ITS FUTURE. AIR FORCE MEMBERS ARE PRESSING FOR
ELECTIONS FOR THOSE SLOTS ON THE RC THAT ARE NOT HELD
AUTOMATICALLY BY POSITION. AS OF NOW, THE RC IS CONSTITUTED
IN AN IRREGULAR FASHION THAT RESPONDS TO POLITICAL PRESSURES.
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FOREIGN MINISTER ANTUNES, ALTHOUGH OCCUPYING AN ELECTED SLOT AS AN
ARMY REPRESENTATIVE, WAS IN FACT APPOINTED BY THE RC ITSELF,
AS WERE HIS CLOSEST ASSOCIATES ON THE COUNCIL, VICTOR CRESPO AND
VICTOR ALVES. MARTINS GUERREIRO'S COMMUNIST SYMPATHIES
ARE WELL KNOWN, AND HE PROBABLY WOULD NOT WIN AN OPEN
ELECTION IN THE NAVY. REGIONAL COMMANDERS PEZARAT CORREIA,
LOURENCO, AND CHARAIS ARE MISTRUSTED BY THE OPERATIONALS
AND WILL BE EARLY TARGETS FOR REMOVAL WHEN THE OPERATIONALS

THINK THEY CAN BRING IT OFF SUCCESSFULLY. PEZARAT CORREIA AND COMPANY ARE, OF COURSE, QUITE AWARE OF THIS AND WILL NOT GO EASILY.

(C) ROLE OF THE REVOLUTIONARY COUNCIL: SINCE NOVEMBER 1975, THE RC HAS PLAYED A LESS PROMINENT POLITICAL ROLE. THERE WAS, FOR EXAMPLE, LITTLE RC OPPOSITION TO THE PROPOSAL THAT THE ORIGINAL PARTIES - AFM PACT BE REVISED. DEPENDING ON WHAT HAPPENS IN THE NEXT FEW MONTHS, THE RC MAY CONTINUE TO FADE OR IT MAY AGAIN ASSUME A PREPONDERANT POLITICAL ROLE AS THE VOICE OF THE ARMED FORCES -- A ROLE THAT THE OPERATIONS AND MOST ESPECIALLY ARMY CHIEF EANES HAVE RESERVED FOR THEMSELVES RECENTLY.

(D) COUPS: POSSIBILITY OF A POST-ELECTION COUP LED BY MILITARY ELEMENTS WOULD BE CONDITIONED BY ELECTION RESULTS AND LIKELY PARTY REACTIONS. A STRONG SHOWING BY THE PPD AND CDS AND MOVEMENT TOWARD AN EVENTUAL COALITION GOVERNMENT OF THESE PARTIES COULD LEAD THE REMAINING MILITARY LEFT TO UNDERTAKE A COUP. THE NOV 25 COUP ATTEMPT DEMONSTRATED THE RECKLESSNESS OF THE MILITARY LEFT, BUT GREATLY REDUCED ITS OPERATIONAL CAPACITY. A LEFT-WING COUP WOULD NOT HAVE A REALISTIC CHANCE OF REGAINING CONTROL OF THE COUNTRY. ON THE OTHER HAND, A STRONG SHOWING BY THE PCP ENCOURAGING A RAPPROCHEMENT WITH THE SOCIALISTS AND POINTING TO EVENTUAL FORMATION OF A PS-PCP COALITION WOULD TEMPT THE ULTRA-RIGHT WITHIN THE ARMY TO UPSET THE APPLE CART. A RIGHT-WING COUP WOULD HAVE A REASONABLE CHANCE -- AT LEAST IN THE SHORT RUN -- OF CAPTURING CONTROL IN A BASICALLY CONSERVATIVE COUNTRY.

(E) PICKING THE PRESIDENT: A TACIT AGREEMENT NOW EXISTS THAT THE NEXT PRESIDENT WILL BE A MILITARY MAN. WE SEE LITTLE INDICATION AT THIS TIME THAT THE MILITARY LEADERSHIP WILL BE ABLE TO GET TOGETHER ON A SINGLE CANDIDATE, AND THE

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RC WISHES TO AVOID PROPOSING AN "OFFICIAL" CANDIDATE. THE "OPERATIONALS", INCLUDING THE THREE CHIEFS OF STAFF, HAVE BEGUN TO PUSH VELOSO; COSTA GOMES WANTS TO STAY; AZEVEDO SAYS THAT "HE WILL ACCEPT THE CALL"; OTELO HAS BEEN ASKED TO RUN BY THE EXTREME LEFT; GALVAO DE MELO MAY RUN EVEN WITHOUT CDS ENDORSEMENT; SILVA CARDOSO AND LEONEL CARDOSO HAVE BEEN MENTIONED; ALVES HAS REMINDED FRIENDS THAT HE WOULD BE A GOOD CANDIDATE; AND ALMEIDA E COSTA HAS A PRESIDENTIAL SASH IN HIS CLOSET. NO MILITARY CANDIDATE, EXCEPT PERHAPS EANES, WHO MAY NOT WANT TO RUN, HAS EMERGED YET WHO APPEARS CAPABLE OF BRIDGING THE WIDE IDEOLOGICAL GAP IN THE ARMED FORCES. IT WILL TAKE A TYPICAL PORTUGUESE COMPROMISE TO AVOID A CONFRONTATION ON THIS ONE.

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2. ECONOMIC SITUATION: SERIOUS ECONOMIC PROBLEMS HAVE BEEN LEFT TO "AFTER ELECTIONS." ALTHOUGH EXTERNAL LIQUIDITY HAS BEEN ASSURED THROUGH THE THIRD QUARTER, THE GOP MUST OBTAIN ADDITIONAL FINANCING TO COVER THE BALANCE OF PAYMENTS DEFICIT IN THE FINAL MONTHS OF 1976. MORE BASICALLY, THE ADMINISTRATION MUST BEGIN TAKING FUNDAMENTAL DECISIONS TO REESTABLISH THE LONGER TERM ECONOMIC EQUILIBRIUM. THE ECONOMY WILL MOVE FARTHER AND FARTHER AWAY FROM EQUILIBRIUM IF THE GOP FAILS TO DO SO. THE RESULTING ECONOMIC DETERIORATION WOULD CREATE AN EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, SITUATION FOR A FUTURE GOVERNMENT. ECONOMIC DIFFICULTIES WILL ADD TO PRESSURES DURING THE INTERREGNUM.

3. THE PARTIES:

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(A) RESTRUCTURING THE PROVISIONAL GOVERNMENT: THE SOCIALISTS CURRENTLY COMMAND THE HIGH GROUND IN THE GOVERNMENT. IF THE PPD OR CDS SHOULD SIGNIFICANTLY INCREASE THEIR VOTE, THEY MAY PUSH FOR CHANGES IN THE PROVISIONAL GOVERNMENT REFLECTING THE NEW SITUATION. ON THE OTHER HAND, IF THE SOCIALISTS WIN A VICTORY AT THE POLLS, THEY WILL ATTEMPT TO START PUTTING TOGETHER THE GOVERNMENT THEY HOPE TO FORM AFTER THE PRESIDENTIAL ELECTIONS. THERE WILL BE STRONG INCENTIVES TO DO THIS BECAUSE OF THE SPOILS OF OFFICE, THE NEED TO GET MOVING NOW ON ECONOMIC PROBLEMS, AND THE POSSIBILITY OF USING THE GOVERNMENT TO INFLUENCE THE OUTCOME OF THE PRESIDENTIAL ELECTIONS. PRIME MINISTER AZEVEDO IS RUMORED TO BE THINKING ABOUT RESIGNING IN ORDER TO LAUNCH HIS OWN CAMPAIGN FOR THE PRESIDENCY. THIS COULD LEAD TO A SCRAMBLE AMONG MILITARY AND CIVILIAN CANDIDATES FOR THE INTERIM PRIME MINISTERSHIP.

(B) THE PRESIDENCY: IF THE SOCIALISTS WIN BIG -- ANYTHING ABOVE 38 PERCENT -- THEY MAY PUSH FOR A CIVILIAN PRESIDENT. SOARES HAS NEVER GIVEN UP THE HOPE OF SITTING IN BELEM PALACE AND HE WILL ATTEMPT TO TAKE ADVANTAGE OF THE DIFFICULTY IN SELECTING A MILITARY CANDIDATE. IF THE PS DOES NOT DO WELL, SOME SOCIALISTS MAY SEE A SOARES PRESIDENCY AS A WAY TO RECOUP THE PARTY'S LOSSES. SHOULD THE PPD MAKE A MAJOR GAIN AND FINISH FIRST, SA CARNEIRO WILL ASSUME CORRECTLY THAT IN GREAT MEASURE IT WAS DUE TO HIM AS THE PREPONDERANT FIGURE IN THE PARTY AND MAY DECIDE TO CONVERT THAT POPULARITY INTO THE PRESIDENCY. THERE ARE LESSER FIGURES FROM BOTH PARTIES MENTIONED FROM TIME TO TIME AS PRESIDENTIAL CANDIDATES, SUCH AS FORMER CONSTITUENT ASSEMBLY PRESIDENT, SOCIALIST HENRIQUE DE BARROS, BUT AS FAR AS WE CAN TELL, THEY ARE SIMPLY STALKING HORSES.

(C) COALITIONS: NEGOTIATIONS TO FORM A NEW GOVERNMENT WILL BEGIN IMMEDIATELY FOLLOWING THE ELECTIONS. SOARES'S CATEGORICAL STATEMENTS ABOUT NO COALITIONS HAVE CAUSED CONCERN AMONG THE MODERATES OF ALL PARTIES. WORRY HAS INCREASED AS IT BECOMES MORE APPARENT THAT NO PARTY IS LIKELY TO EMERGE FROM THE ELECTIONS WITH A CLEAR MANDATE. THE SOCIALISTS IN OPPOSITION WOULD INEVITABLY BE DRIVEN CLOSER TO THE COMMUNISTS. A GOVERNMENT WITHOUT THE SOCIALISTS WOULD BE HARD PRESSED TO

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CONTAIN PCP-INSPIRED LABOR UNREST WITHOUT RESORT TO HARSH MEASURES. SOARES'S GO-IT-ALONE CAMPAIGN STRATEGY COULD WELL COME BACK TO HAUNT THE SOCIALISTS. SOARES WILL RESIST GOING

BACK ON HIS CAMPAIGN PLEDGE, AND THE PARTY'S LEFT WING WILL OPPOSE ANY RENEGING. ONLY A STRONG NATIONAL INTEREST ARGUMENT COMBINED WITH A PROFFERED LEADERSHIP ROLE IN THE NEW GOVERNMENT IS LIKELY TO PERSUADE SOARES TO ENTER THE GOVERNMENT. SOARES'S PERSONAL DISLIKE FOR SA CARNEIRO IS AN ADDITIONAL IMPEDIMENT TO A PS-PPD COALITION. BUT LABOR MINISTER ROSA AND OTHER OPERATIONALS ARE WORKING TO EASE SA CARNEIRO OUT OF THE PPD LEADERSHIP AND TO REPLACE HIM WITH MAGALHAES MOTA, WHO, THEY BELIEVE, WOULD BE ABLE TO WORK WITH THE SOCIALISTS (REF B).

(D) PARTY SPLITS: WINS BY EITHER THE SOCIALISTS OR THE PPD WILL TEND TO REINFORCE THEIR CURRENT LEADERSHIPS. SOARES SUPPORTERS HAVE PRIVATELY SAID THEY WILL CARRY OUT A PURGE OF THE PARTY'S LEFT WING AFTER ELECTIONS. A LOSS BY THE SOCIALISTS, HOWEVER, WOULD REINFORCE THE LEFT WING AND, BY PUSHING THE PS INTO THE OPPOSITION, LEAD TO INCREASED PRESSURE FOR COOPERATION WITH THE COMMUNISTS. RESISTANCE BY THE RIGHT WING COULD LEAD TO A SPLIT. IN THE PPD, SA CARNEIRO WOULD BE CHALLENGED BY THE PPD LEFT WING IF THE PARTY DOES POORLY. THE PPD LEFT WING, WHICH IS IDEOLOGICALLY AND PERSONALLY CLOSE TO THE PS RIGHT WING, MIGHT IN THE EVENT OF A PPD LOSS, JUMP TO THE SOCIALISTS. THE CDS WOULD HOPE TO PICK OFF THE REMAINDER OF THE PPD. IN THE UNLIKELY CASE THAT THE PS SHOULD DECIDE FORMALLY TO COOPERATE WITH THE PCP, THIS WOULD ALMOST CERTAINLY LEAD TO A SPLIT OF THE RIGHT WING OF THE PARTY.

4. ROLE OF THE PRESIDENT: THROUGH HIS POWER TO APPOINT THE PRIME MINISTER, PRESIDENT COSTA GOMES HAS A POWERFUL POLITICAL WEAPON AT HIS DISPOSAL DURING THE INTERREGNUM. CONSERVATIVES IN AND OUT OF THE MILITARY FEAR THAT HE MAY USE THIS POWER TO BENEFIT THE COM.^{7,8} 5 OR THE NON-SOCIALIST LEFT. ONE FEAR IS THAT COSTA GOMES WOULD REPLACE AZEVEDO WITH ANTUNES AND ULTIMATELY BLOCK THE FORMATION OF A DEMOCRATICALLY ELECTED GOVERNMENT. THESE ARE STILL VAGUE FEARS. SUCH A MOVE WOULD BE OUT OF CHARACTER FOR COSTA GOMES, WHO HAS SHOWN NO DISPOSITION TO TAKE DECISIVE MOVES IN FAVOR OF THE LEFT, ANY MORE THAN HE DID FOR THE MODERATES OR

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THE RIGHT. YET THE DEEPLY INGRAINED RESPECT FOR PRESIDENTIAL AUTHORITY IN BOTH THE MILITARY AND CIVILIAN POPULATION GIVES THE PRESIDENT ADVANTAGES NOT JUSTIFIED BY HIS THIN POLITICAL SUPPORT AND ROOM FOR MANEUVER IN FAVOR OF HIS LEFTIST ALLIES AND HIS OWN AMBITIONS. ONLY THE LEFT WILL AGREE TO A CONTINUATION OF COSTA GOMES IN OFFICE. COSTA GOMES IS ANATHEMA TO THE PPD AND THE CDS AND NOT MUCH BETTER LIKED BY THE SOCIALISTS.

5. FUTURE DEVELOPMENTS, OF COURSE, WILL BE HEAVILY--AND

PERHAPS DECISIVELY--DETERMINED BY THE APRIL 25 ELECTION
OUTCOME. THESE CLUSTERS OF INTERLOCKING PROBLEMS, HOWEVER,
WILL BE PRESENT IN SOME FORM WHATEVER THE PORTUGUESE ELECTORATE
DECIDES. PORTUGAL'S NASCENT, AND STILL FRAGILE DEMOCRATIC
INSTITUTIONS WILL BE PUT TO A SEVERE TEST IN THE DAYS AND WEEKS
AHEAD.
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